

THE YAZOO WHIG AND POLITICAL REGISTER.

J. A. STEVENS, Editor & Proprietor.

YAZOO CITY, (MS.) FRIDAY, JANUARY 22, 1841.

VOL. 5, No. 28.—Whole No. 236.

Yazoo City Whig and Political Register.

PRINTED AND PUBLISHED WEEKLY BY J. A. STEVENS.

(CITY PRINTER.)

On Main Street, opposite M. B. Hamer's, in the north end of the "Manchester Hall."

TERMS.—The Whig will be furnished to subscribers at \$5.00 per annum in advance.

Advertisements will be inserted at the rate of \$1.00 per square for the first insertion, and 50 cents for each week thereafter—ten lines or less, constituting a square. The number of insertions required, must be marked on the margin of the manuscript, or they will be inserted till forbid, and charged accordingly. Advertisements from a distance, must be accompanied with the cash, or good references in town. Announcing candidates for office will be \$10 for county offices, \$10 for state offices—in advance.

Yearly Advertising.

For forty lines or less, renewable at pleasure \$60. No contract taken for less than one year, and payable half yearly in advance.

The privilege of annual advertising is limited to their own immediate business; and all advertisements for the benefit of other persons, sent in by them must be paid for by the square.

Professional Advertisements.

For 10 lines or less, not alterable, 3 months, \$12.

" 10 do do do 6 do 20

" 10 do do do 12 do 30

As the above rates are the same as those established in Natchez, Vicksburg, Jackson, Grand Gulf and elsewhere in this State, no deduction will be made from them in any case whatever.

ALL JOB WORK MUST BE PAID FOR ON DELIVERY.

PROSPECTUS

OF THE WEEKLY MADISONIAN,

For the next Session of Congress.

The approaching session of Congress, will doubtless, be one of great interest. It will close up some, at least, of the affairs of Mr. Van Buren's administration, and usher in the more auspicious dawn of a new and better order of things. On one side we shall see the struggles of an aspiring faction, and on the other a triumphant party, armed with the confidence of the people, imposing judicious restraints upon the convulsive throes of their opponents, and shielding their country as far as possible from the dangers of malignant and reckless violence, and endeavoring to avert the embarrassments which defeated men, stung with disappointment, will seek to throw in the way of the new administration. On the third of March next, 12 o'clock P. M., Mr. Van Buren's star will vanish, and immediately in its place shall we behold appearing the rising sun of HARRISON.

On the 4th of March, General Harrison, as President of the United States, will attend in the Chamber of the House of Representatives to take his oath of office, according to the direction of the Constitution. On his entrance, as on the entrance of Washington, and Jefferson, and Madison, the audience will not be able to stifle their disposition to applaud. Having taken his seat on the elevated chair of the speaker of the House of Representatives, the Vice President, Mr. Van Buren, (if present), and the Secretary of the Senate on his right, the Speaker and Clerk of the House of Representatives on his left, and the Chief Justice of the United States and Associate Judges at the Clerk's table, he will proceed to deliver his inaugural speech, after which he will receive the oath of office from Mr. Taney, the Chief Justice. He will then retire, and such huzzas will go up from the multitude around the Capitol as have never been heard.

Such will be among the interesting incidents which will occupy the columns of the weekly Madisonian. The paper will contain leading speeches, spirited sketches of the debates, and a summary of the results of the proceedings in Congress, together with the general and political news of the day. It will contain the official returns of the vote in the Electoral Colleges for President, which will be opened in the presence of Congress, and the inaugural Address of the President. This will include the time comprehended between the opening of Congress in December, and its adjournment on the 4th of March. Subscription price for this period FIFTY CENTS. Terms cash, in advance.—Bank notes of every description, received at their respective values. Postmasters will act as agents, and be allowed a commission—they are also authorized by the Department to forward subscriptions under frank. Letters must come to us free, or postage paid.

THOMAS ALLEN.

Washington, Oct. 31, 1840.

Harrison editors will oblige us by giving this an insertion.

It has been usual of late years to perform the ceremonies of inauguration on the portico in front of the Capitol, where the area is better fitted to accommodate a large number of spectators. The practice will probably be continued.

NOTICE

THE undersigned having obtained letters

of Administration the Estate of R. S.

Dubin, deceased, at the July term of the Probate Court, 1840, Persons having claims

against said Estate will please present within the time prescribed by law, or they will be forever barred.

W. DORSEY, adm'r.

October, 15, 1840. 14-3m.

NOTICE

I HAVE been appointed by the Governor

of the State of New York, a commissioner

for the State of Mississippi, to take the acknowledgment and proof of deeds and other instruments of writing under seal to be used

or recorded in the said State of New York, and to administer oaths or affirmations, pursuant to the act of the Legislature of said State, entitled "An act to authorize the appointment of Commissioners for the above purposes," passed May 13, 1840.

F. W. QUACKENBOSCH.

Commissioner &c.

January 1st, 1841. 25-1f

GOVERNOR'S MESSAGE.

Gentlemen of the Senate

and House of Representatives:

[CONCLUDED.]

The banking system of this State demands your consideration. During the period of our revolutionary struggles, the Congress of the Confederation, and the several States, issued immense amounts of paper money to carry on the war. Before its close, this money had depreciated so much as to become useless as a currency, and worthless as an article of merchandise. Much of it has never been redeemed and the holders of that portion paid, received but a small fraction of their dues. The deranged state of the finances of the country, the low state of public credit, and the total insufficiency of the articles of the confederation to command respect abroad or security at home, induced the States to assemble in convention, and to adopt a constitution for the United States of America. That sacred instrument provides, that no State shall coin money, emit bills of credit, or make any thing but gold and silver a tender in payment of debts. All the States of this Union have departed from their appropriate spheres, by chartering banks with authority to issue bills to circulate as money; and many of them have borrowed immense sums of money for purposes of internal improvement, and to establish banks. The constitutionality of these measures may well be questioned. The history of their operations, for the last five years, demonstrates their ruinous tendencies. They have all disregarded the restraints of the law, defied legislative control, and failed to furnish a stable, sound convertible currency. I consider the whole system vicious. It can never be so regulated, as to become useful to any community. Banks of issue, place it in the power of a few men to alter the standard of value, unsettle the price of property, and to produce alternate expansions in business, and revulsions in commerce. Incorporated banks, of discount and deposit, confer special privileges on the few to the detriment of the many, and enable those who control them to monopolize every article of produce they desire, to the great injury of both the producer and the consumer. In prosperous times they discount freely, and thus stimulate speculation, extravagance and idleness. When a revulsion takes place, they are unable to help the needy, and add to the pressure by heavy calls on their debtors to sustain the waning credit. The immense losses sustained by their stockholders, will cause capital hereafter to seek safer and more profitable investments, and bank stocks will not for many years be in much demand. During the last four years, all the banks in this State have been unable to furnish exchange, equal to the value of the cotton crop of a single year. The present situation of our banks, places it beyond their power to furnish a sound currency, or to aid the indebted portion of the community by further loans. Justice to their creditors, debtors, and stockholders, and to the State, imperiously demand that they be placed in liquidation for the benefit of all concerned. The bank law of last February was too feeble in its provisions to command the regard of the bank directors. In accordance with its provisions, I issued my proclamations declaring the charters of the following banks forfeited, to wit:

The Tombigby Rail Road and Banking Company;

The Hernando Rail Road and Banking Company;

The Mississippi Rail Road and Banking Company;

The Benton and Manchester Rail Road and Banking Company;

The Grand Gulf Rail Road and Banking Company;

The Aberdeen and Pontotock Rail Road and Banking Company;

The Bank of Vicksburg;

The Mississippi Union Bank, and

The Citizens' Bank of Madison County.

Copies of those proclamations are submitted to your consideration. I also transmit copies of my correspondence with the Mississippi Union Bank, and the Mississippi Rail Road Company, in relation to the appointment of commissioners to make out a schedule of the assets and liabilities of these institutions. None of the banks have appointed commissioners to act in conjunction with those appointed by the Executive, and I believe they have all refused to give the State commissioners access to their books and papers.

It is believed that the following banks have failed to comply with the injunctions of the bank law, to wit:

The Commercial Bank of Columbus;

The Agricultural Bank of Rodney;

The Planters' Bank of Mississippi;

The Bank of Lexington;

The Bank of Grenada;

The Vicksburg Water Works and Bank-

Company, and

The Commercial and Rail Road Bank of Vicksburg.

All the assets of the latter institution, were assigned to trustees, by the Board of Directors, previous to the passage of the bank law. The evidence required by law has not been furnished to the Executive, to enable him to issue his proclamations declaring the charters of those banks forfeited.

I have understood that the Commercial Bank of Natchez, the Commercial Bank of Manchester, the West Feliciana Rail Road and Banking Company, the Bank of Port Gibson, and the Northern Bank of Mississippi, complied with the provisions of the bank law during the last year. Their heavy engagements were to be met on the first day of the present month.

The situation and affairs of the Mississippi Rail Road Company, the Planters' Bank of this State, and of the Mississippi Union Bank, will demand your calm consideration. All of those institutions are insolvent; and neither of them can resume specie payments for several years, or make further loans. I submit herewith copies of my letters to those banks, calling for specific information in relation to their condition, and the answers and statements furnished. The Union Bank has \$4,349 06 of specie on hand.

Her suspended debt in suit is \$2,699,869 29

" "not sued on, 1,777,337 78

" resources, chiefly unavailable, 8,034,154 28

" immediate liabilities, 3,034,154 28

" capital stock, 5,000,000 00

A reference to the report of the Joint Committee of the Legislature, at the last session, will satisfy you that not more than one-third of the debts due the bank will be collected, and that the whole capital stock has already been lost. The bank has seven thousand bales of cotton in Liverpool unsold, on which it has drawn \$267,116 04. An advance of sixty dollars per bale was made to the planters upon that cotton, in 1839. They will sustain a clear loss, including interest, of thirty dollars per bale; equal, in the aggregate, to \$210,000. The bank has been irretrievably ruined by making advances upon cotton, issuing post notes and joining the principal portion of her capital to insolvent individuals and companies. The situation of the Mississippi Rail Road Company, and the Planters' Bank, is equally bad. The former, to the year 1839, issued about a million and a half of dollars in post notes, and expended them in constructing the rail road and building expensive depots. I certainly would not have approved the transfer act, had I anticipated this improvident course. The company has failed to pay the interest on the Planters' Bank bonds. The Bank of the United States has advanced the same, and has presented an account against the State for \$124,222 22 and demanded payment thereof in specie. The first instalment of the Planters' Bank bonds, amounting to the sum of \$125,000, will be due next July. No provision has been made for its payment. One of the Circuit Judges has decided that recoveries cannot be had on the notes belonging to the Sinking Fund. The fund is specially appropriated to the payment of the two first instalments of the Planters' Bank bonds. The Mississippi Union Bank, hereafter, will be totally unable to pay the interest on the five millions of State bonds issued in the year 1839.

In my last annual message, I informed you that I had declined executing the last five and a half millions of State Bonds, called for by the Mississippi Union Bank. Having a well founded apprehension that an attempt would be made illegally to dispose of the five million of State bonds, issued in the year 1839, and delivered to the managers of the Bank, I issued my proclamation on the 2d day of March last, "warning all persons and corporations not to advance money or securities or credit on the hypothecation of said bonds, or to receive the same in exchange for the circulation of other liabilities of the Mississippi Union Bank, or to purchase the same on a credit, or for a less sum than their par value in specie, or on any other terms not expressly authorized by the charter of said bank." A copy of that proclamation is herewith transmitted. I am happy to inform you that it had the desired effect, and has prevented an invalid sale of those bonds. Inasmuch as there is no prospect that the State bonds, and the semi-annual interest thereon, can be paid by the banks bound therefor, it becomes us to consider the attitude in which this state of things places the State. I am not advised upon what terms the two millions of State bonds, delivered to the Planters' Bank in the years 1831 and 1833, were sold. Those bonds were endorsed by the bank, and the act transferring the State stock in the Planters' Bank to the Mississippi Rail Road Company, and obligating the latter company to pay the interest on those bonds, and seven hundred and fifty thousand dollars of the principal, does not and could not release the Planters' Bank from her obligations to

pay both principal and interest in the event of the failure of the Mississippi Rail Road Company to pay the same punctually. The bond holders have never assented to transfer the act.

The following measures in relation to the Mississippi Union Bank will no doubt be proposed:

1st. Relinquishing the individual stockholders, and making it a State institution, binding the State for all the issues and liabilities of the Bank, and authorizing the hypothecation of more State Bonds, or a sale thereof for less than their par value.

2d. Releasing the private stockholders, placing the bank in liquidation, and imposing a direct tax sufficient to pay the principal and interest of the Bonds, punctually, if indulgence cannot be obtained.

3d. Placing the Bank in liquidation for the benefit of all concerned, and repudiating the sale of five millions of the Bonds in the year 1839, on account of fraud and illegality.

The ninth section of the seventh article of the Constitution provides that "No law shall ever be passed to raise a loan of money upon the credit of the State, or to pledge the faith of the State for the payment or redemption of any loan or debt, unless such loan be proposed in the Senate or House of Representatives, and be agreed to by a majority of the members of each House, and entered on their Journals, with the yeas and nays taken thereon, and be referred to the next succeeding Legislature, and be published for three months previous to the next regular election, in three newspapers of this State; and unless a majority of each branch of the Legislature so elected, after such publication, shall agree to, and pass such law; and in such case the yeas and nays shall be taken, and entered on the Journals of such House." It is very clear that no fundamental change can constitutionally be made in the charter of the Bank without the action of a succeeding Legislature, and the existing charter does not authorize the hypothecation of any State Bonds, or a sale at less than their par value in cash. Bank charters are special grants of privileges, and being in derogation of private rights, must be construed strictly—great injury must result from a further sale of State Bonds.

The power of the Legislature, to release the private stockholders from their obligations, is, at least, questionable; and its policy clearly wrong. They have generally been favored in the distribution of loans—and have controlled the Institution during the last year. The Directors elected by them have denied the right of the State to require the Bank to resume specie payments or to go into liquidation—and have, through their President, indirectly charged the members who voted for the Bond law of the last session, and the chosen Executive of the State who approved it, with a wilful violation of the Constitution; and have insisted that none but stockholders were eligible as Directors, on the part of the State. The best interests of the stockholders, creditors and debtors of the Bank, and the character of the State demand a liquidation of the affairs of the Institution.

It will be seen by the documents accompanying my annual message in the year 1839, that five millions of Bonds were disposed of on the 18th of August, 1839, for five millions of dollars, payable in five equal instalments, on the first day of November, 1839, and on the first days of January, March, May and July, 1839—interest accrued on the Bonds from the day of the contract. The punctual performance of the same was guaranteed by the Bank of the United States, and the purchase was undoubtedly made on the account of that Institution, and the payments made with her funds. The charter of the Bank of the United States contains the following clause: "The said Corporation shall not directly or indirectly deal or trade in any thing except bills of exchange, gold or silver bullion, or in the sale of goods really and truly pledged for money lent and not redeemed in due time;—or goods which shall be the proceeds of its loans—neither shall it make any loan, to any foreign Prince or State, unless previously authorized by law. The said Corporation shall not be at liberty to purchase any stock whatever, except their own stock, Treasury notes, or public stocks created by the Government of the United States, or of this State, for the construction and improvement of roads, bridges, canals, or inland navigation, or other stocks which may be bona fide pledged as security for debts to the Bank, and not duly redeemed."—It therefore follows that the purchase by that Institution was illegal and in fraud of its charter. I have understood that the larger portion of those Bonds have not been sold by the Bank, but are hypothecated with European Banks, and loans obtained upon them. It is a well settled principle of law, that where no authority is given to an agent to sell on time, no legal sale can be made except for cash. The charter of the Mississippi Union Bank

is expressly made a part of the agreement for the sale of the State Bonds, in 1839. That sale was illegal and fraudulent, and either of the following grounds are sufficient to prevent its having any obligatory force on this State.

1st. The Bank of the United States is prohibited by its charter from purchasing such stock either directly or indirectly.

2d. It was fraudulent on the part of that Bank, inasmuch as the contract was made in the name of an individual, when in fact it was for the benefit of the Bank, and payment was made, with its funds.

3d. The sale was illegal inasmuch as the bonds were sold on credit.

4th. Interest to the amount of about one hundred and seventy thousand dollars having accrued on those bonds before the purchase money was stipulated to be all paid, the bonds were in fact sold at less than their par value in direct violation of the charter of the bank.

It no doubt will be contended that, inasmuch as those bonds may have passed into the hands of innocent purchasers, that the State is bound to redeem them. This argument vanishes, when it is considered that under our Statutes all defenses may be set up against an endorsee which would be against a payee.

The Constitution of the State having designated with great precision the manner in which the faith of the State alone can be pledged, and the Statutes having been made a part of the agreement for the sale of those bonds, all persons purchasing them must be considered as doing so at their peril. Admitting that it is competent for the State to accept and affirm an illegal sale of State Bonds, were appointed by the corporation of the Union Bank, and were not amenable to the Legislature or the Executive for the manner in which they discharged the trust confided to them. The Executive of the State has never admitted the validity of the sale of the State Bonds—neither the Executive, Senate, House of Representatives, nor all of them combined, could ratify an unconstitutional pledge of the faith of the State or an illegal sale of State Bonds. The Constitution would be of little value if it could be trampled upon with impunity and unborn millions loaded with a debt contracted in opposition to its express provisions. Our ancestors after a struggle of eight years continuance, conquered their independence of Great Britain, because that Empire sought to impose a small tax upon tea, without their consent, to aid in extinguishing the heavy debt incurred in wars carried on for our protection against our French and Indian neighbors. The framers of Mississippi are not so degenerate as to submit to heavy taxation to pay a claim not contracted in accordance with their supreme law. I trust the day is far distant when the light of Heaven, the fire that warms us, the bread we eat, the clothes we wear, all articles of produce and every necessary of life, will be taxed to pay a demand founded neither in justice nor equity. Should the Legislature differ with me in opinion, and resolve to impose a sufficient tax on the persons and property of all the people of the State to pay the interest on the State Bonds, and to provide for the principal as it falls due, the following sum must be provided for at your present session:

Interest advanced by the Bank of the United States on the Planters' Bank bonds, \$124,222 22

First instalment due July, 1841, 125,000

Exchange to pay the same in London, 12,500

Interest accruing in 1841 and 1842, on \$2,699,869 29

Planters' Bank bonds, and \$500,000 Union Bank, 374,000

Exchange, 74,000

Interest accumulating on interest unpaid, 25,000 00

Auditor's warrants, 400,000 00

Total, \$1,075,722 22

In the event of the passage of a law during this session to raise the above sum by taxation, it would have to be assessed this present year, and could not be collected before the spring of 1842; and the taxes of 1842 would not be available until the spring of 1843. I have not, therefore, over estimated the amount required. As the taxes are increased, insolvency will increase also, and subjects of taxation be greatly diminished; for if they become intolerable, the State will depopulate. If new subjects of taxation are not resorted to, each tax payer in the State will have to pay twenty dollars where he now pays one. Such an enormous tax can never be collected from the hard earnings of the people of this State. They will not elect representatives who will impose it, or tax gatherers who will collect it.

A. G. McNUTT.

Executive Department.

City of Jackson, Jan'y 5, 1841.

Advice to Legislators.—Never become the corrupt tools of wealth.